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UNCLAS ABUJA 002856

SIPDIS

E.O. 12958: N/A

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SUBJECT: AGOA ELIGIBILITY REVIEW FOR NIGERIA

REF: A. STATE 191161

[B](#). 00 ABUJA 9427

[C](#). 00 STATE 110733

[D](#). 00 STATE 127971

[E](#). 00 STATE 126813

[1](#). Post has reviewed all documents relating to AGOA eligibility for Nigeria including reftels C, D and E, the 2000 Human Rights Report, this year's report on trafficking in women and children, and the first draft of the 2001 Human Rights Report.

[2](#). The following is an update of the information provided previously in response to ref A.

Item 4.1.A: The GON continues to make slow progress in developing an open economy, minimizing government interference and promoting free market principles. Privatization of the national telecommunications monopoly (NITEL) is scheduled to take place before year-end 2001. Privatization of the National Insurance Company (NICON), ship-builder Nigerdock, the New Nigerian Newspapers and other public enterprises continue to move forward faster than many international experts forecasted.

Item 4.1.B: Ethnic and religious tension increased sharply in the last half of 2001, with communal clashes in parts of the country claiming a few thousand lives. Despite these difficulties, the GON has on several occasions restated its commitment to the rule of law, political pluralism and human rights. Work remains to be done in implementing these rights, however. The GON has programs underway to reform the military, police force and judicial system. The Obasanjo Administration does not have a policy of supporting human rights abuses. Freedom of speech and of the press is largely respected. Limited resources to train security forces in proper techniques and respect for human rights have limited GON success in preventing individual members of security agencies, including police and military personnel, from abusing the rights of fellow citizens.

Item 4.1.C: The GON continues to move toward policies eliminating barriers to U.S. trade and investment. Currently, the GON is seeking to harmonize, and add transparency to, existing investment codes and regulations. The GON is moving in the direction of lower tariffs, particularly for manufacturing inputs, and has established export-processing zones where exporters can receive special duty treatment. The GON has made progress on restructuring the intellectual property rights regime; draft legislation to create a quasi-independent IPR office is pending approval by the Executive Council. Additionally, our two governments are restructuring the bilateral economic dialogue in order to achieve concrete progress in trade and investment between the two nations.

Item 4.1.D: Although the GON expresses commitment to poverty alleviation, progress has been slow. Gross Domestic Product grew only 3.2 percent in 2000, barely exceeding population growth. The vast majority of wealth in the country continues to be held by a multi-ethnic elite that, however, represents a small percentage of the population. The Niger Delta Development Commission was created to address health care and educational deficiencies in one of Nigeria's least developed regions. However, the NDDC has not yet received the total funding necessary to fulfill its mandate. The GON is also committed to developing a Poverty Reduction Strategy in cooperation with the IMF. This medium-term strategy may accelerate progress in poverty reduction.

Item 4.1.E: Efforts against corruption have not abated, but neither have these efforts registered successes with major positive effect on the macro-economy. A Budget Monitoring and Price Unit has been established to provide due process for all government procurements. Additionally, the GON has cooperated in auditing all end-2000 and 2001 capital projects. As part of the current IMF policy framework, the

GON has agreed to publish the results of the audits.

Item 4.1.F.2: The GON does not engage in activities that undermine U.S. national security or foreign policy interests. President Obasanjo has been at the forefront of African Heads of State by unconditionally and publicly supporting U.S. effort to find and bring to justice the perpetrators of the September 11 attacks and to combat terrorism globally.

Item 5: Nigeria has agreed to, but not yet ratified, ILO Conventions 182, Worst Form of Child Labor, and 138, Minimum Age for Employment. Legislation prohibits children under 15 years to work in most sectors and outlaws forced or compulsory labor. However, enforcement is weak. Post will address issues related to child labor in more detail via septel.  
Andrews